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FISCAL IMPACT REPORT

SPONSOR Rawson DATE TYPED 2/17/2004 HB _____

SHORT TITLE Investigate Water System Service Areas SB SJM 75

ANALYST Garcia

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			Minimal	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Regulation Commission

SUMMARY

Synopsis of Bill

The Joint Memorial asks the Public Regulation Commission and the Department of Environment, with cooperation from the State Engineer, to investigate the service areas of municipal, member-owned, investor-owned, and special district water systems. The Joint Memorial also requests the agencies to produce a report by December 1, 2004 to the appropriate interim committee that describes how service areas are developed, identifies potential conflicts and proposes ways to avoid or settle future disputes.

Significant Issues

- 1) Numerous bills pertaining to creating Water Authorities were considered in the 2004 Legislative session.
- 2) Utility jurisdiction and powers, as well as Water Authorities have an impact on the state's overall water policy.
- 3) The Joint Memorial notes no current statutes exist that strictly identify the separate service areas of various water systems.
- 4) As water availability continues to be a growing problem and the state's population continues to grow, jurisdictional disputes over service areas will escalate.

FISCAL IMPLICATIONS

The Joint Memorial may result in minimal fiscal impact to the referenced agencies. The report will require additional research, work, and time to complete from staff of the agencies. As a result, the agencies may need to move a minimal amount of funds to conduct the study or request a Budget Adjustment Authority for costs of the study. The cost will be minimal and likely can be absorbed by the agencies without any disturbance or BARs.

DG/yr